

**CALENDAR ITEM
C65**

A 33

08/19/15
PRC 7526.2
C. Hudson

S 16

GENERAL LEASE – RIGHT-OF-WAY USE

APPLICANT:

Pacific Gas and Electric Company
245 Market Street, Mail Code N10A
San Francisco, CA 94105

AREA, LAND TYPE, AND LOCATION:

8.08 acres, more or less, of State indemnity school land in portions of Section 26 and 27, Township 9 North, Range 2 East, SBM, near the unincorporated community of Newberry Springs, San Bernardino County.

AUTHORIZED USE:

Operation, use and maintenance for an existing 34-inch diameter high pressure gas transmission line, known as Line 300A, blow-off line, and communication line.

LEASE TERM:

25 years, beginning January 6, 2015.

CONSIDERATION:

\$12,189 per year, with the State reserving the right to fix a different rent periodically during the lease term, as provided in the lease.

SPECIFIC LEASE PROVISIONS:

Insurance:

Liability insurance in an amount no less than \$2,000,000 per occurrence. Applicant may satisfy all or part of the insurance requirements through maintenance of a staff-approved self-insurance program as outlined in the Lease.

Bond: \$50,000

CALENDAR ITEM NO. **C65** (CONT'D)

BACKGROUND:

School lands were granted to the State of California by the federal government under the Act of March 3, 1853 (10 Stat. 244), and consisted of the 16th and 36th sections of land in each township (with the exceptions of lands reserved for public use, lands taken by private land claims, and lands known to be mineral in character). In cases of preemption due to the exceptions described above, the State was given the opportunity to select replacement lands from the United States in lieu of a Section 16 or a Section 36. These replacement lands are now known as State indemnity school lands or lieu lands.

OTHER PERTINENT INFORMATION:

1. On February 6, 1989, the Commission authorized the exchange of State school lands under the jurisdiction of the Commission for public lands under the jurisdiction of the United States Department of the Interior, Bureau of Land Management (BLM) and the acceptance of a patent subject to Pacific Gas and Electric Company's (PG&E or Applicant) right-of-way for a 34-inch diameter high pressure gas transmission line, blow-off line, and communication line. The federal grant for the right-of-way expired on January 5, 2010. PG&E is now applying for a General Lease – Right-of-Way Use.
2. Staff is recommending that the Commission accept \$28,729 for the period beginning January 6, 2010, to January 5, 2015, for the unauthorized occupation of State indemnity school land, pursuant to the Commission's fiduciary duty to generate revenue to benefit the California State Teachers Retirement System (CalSTRS).
3. The 34-inch diameter high pressure gas pipeline, known as Line 300A, was installed in 1950. The minimum test pressure for this portion of the line is 872 pounds per square inch gauge (psig). The maximum allowable operating pressure (MAOP) is 688 psig.
4. Since the pipeline was placed into operation, routine inspections and maintenance have been conducted by PG&E's personnel in accordance with 49 Code of Federal Regulations (CFR) Subpart 192 Subpart O (Gas Transmission Pipeline Integrity Management), sections 192.901-192.951 and Subpart M (Maintenance), sections 192.701-192.755, along with the pipeline patrols and leak surveys.
5. PG&E utilizes an active cathodic protection (CP) system on its pipeline to protect it against corrosion. No leaks were identified during a leak survey completed in May 2014, and the pipeline was last inspected in December 2014 and was found to be operating correctly.

CALENDAR ITEM NO. **C65** (CONT'D)

6. The staff recommends that the Commission find that this activity is exempt from the requirements of the California Environmental Quality Act (CEQA) as a categorically exempt project. The project is exempt under Class 1, Existing Facilities; California Code of Regulations, Title 2, section 2905, subdivision (a)(2).

Authority: Public Resources Code section 21084 and California Code of Regulations, Title 14, section 15300 and California Code of Regulations, Title 2, section 2905.

7. This activity involves lands which have NOT been identified as possessing significant environmental values pursuant to Public Resources Code section 6370 et seq.; however, the Commission has declared that all lands are “significant” by nature of their public ownership (as opposed to “environmentally significant”). Since such declaration of significance is not based upon the requirements and criteria of Public Resources Code section 6370 et seq., use classifications for such lands have not been designated. Therefore, the finding of the project’s consistency with the use classification as required by California Code of Regulations, Title 2, section 2954 is not applicable.

EXHIBITS:

- A. Land Description
- B. Site and Location Map

RECOMMENDED ACTION:

It is recommended that the Commission:

CEQA FINDING:

Find that the activity is exempt from the requirements of CEQA pursuant to California Code of Regulations, Title 14, section 15061 as a categorically exempt project, Class 1, Existing Facilities; California Code of Regulations, Title 2, section 2905, subdivision (a)(2).

AUTHORIZATION:

1. Authorize acceptance of \$28,729 for the period of January 6, 2010, through January 5, 2015, for the unauthorized occupation of State indemnity school land.
2. Authorize issuance of a General Lease – Right-of-Way Use to Pacific Gas and Electric Company beginning January 6, 2015, for a term of 25 years, for the operation, use and maintenance of an existing 34-inch diameter high pressure gas transmission line,

CALENDAR ITEM NO. **C65** (CONT'D)

blow-off line, and communication line, for the land as described in Exhibit A and as shown on Exhibit B (for reference purposes only), attached and by this reference made a part hereof; annual rent in the amount of \$12,189, with the State reserving the right to fix a different rent periodically during the lease term as provided in the lease; liability insurance in an amount no less than \$2,000,000 per occurrence or an equivalent staff-approved self-insurance program; and surety bond in the amount of \$50,000.

EXHIBIT A **LAND DESCRIPTION**

Those State owned lands situated in the south half of the south half of Section 26 and the south half of the southeast quarter of Section 27, Township 9 North, Range 2 East, S.B.B. & M. in the State of California, County of San Bernardino, described as follows:

Parcel 1 – Transmission Gas Line

A strip of land of the uniform width of 50 feet extending from the east line of the south half of the south half of said Section 26, westerly to the north line of the south half of the southeast quarter of said Section 27, and lying 25 feet on each side of the line described as follows:

Beginning at a point on said east line; thence

(1) North 83°29'26" West, 5290.84 feet,

to the west line of the south half of the south half of said Section 26, said point bears North 00°36'19" West, 1123.55 feet from the found 1 ½" iron pipe with brass cap, marking the southwest corner of said Section 26, as shown on Parcel Map No. 6472, filed for record March 23, 1981 in Book 63 of Parcel Maps at Page 100, San Bernardino County Records; thence leaving said west line and continuing

(2) North 83°29'26" West, 1729.55 feet, more or less

to the north line of the south half of the southeast quarter of said Section 27.

Parcel 2 – Blow off Line

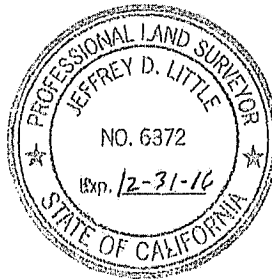
A strip of land of the uniform width of 10 feet, lying 5 feet on each side of the line described as follows:

Beginning at a point in the southeast quarter of the southeast quarter of said Section 27, said point bears North 01°17'58" West, 1012.75 feet from a found 1 ½" iron pipe with brass cap, marking the southeast corner of said Section 27, as shown on Parcel Map No. 6472, filed for record March 23, 1981 in Book 63 of Parcel Maps at Page 100, San Bernardino County Records; thence

(1) North 06°28'35" East, 105.02 feet, to a point in said lands.

The foregoing description is based on a survey made by PG&E in August 2014. The bearings used are based on the east line of the southeast quarter of the southeast quarter of said Section 27, Township 9 South, Range 2 East, S.B.B. & M. taken to be North 00°36'19" West.

APPROVED AS TO DESCRIPTION



A handwritten signature of Jeffrey D. Little in black ink.

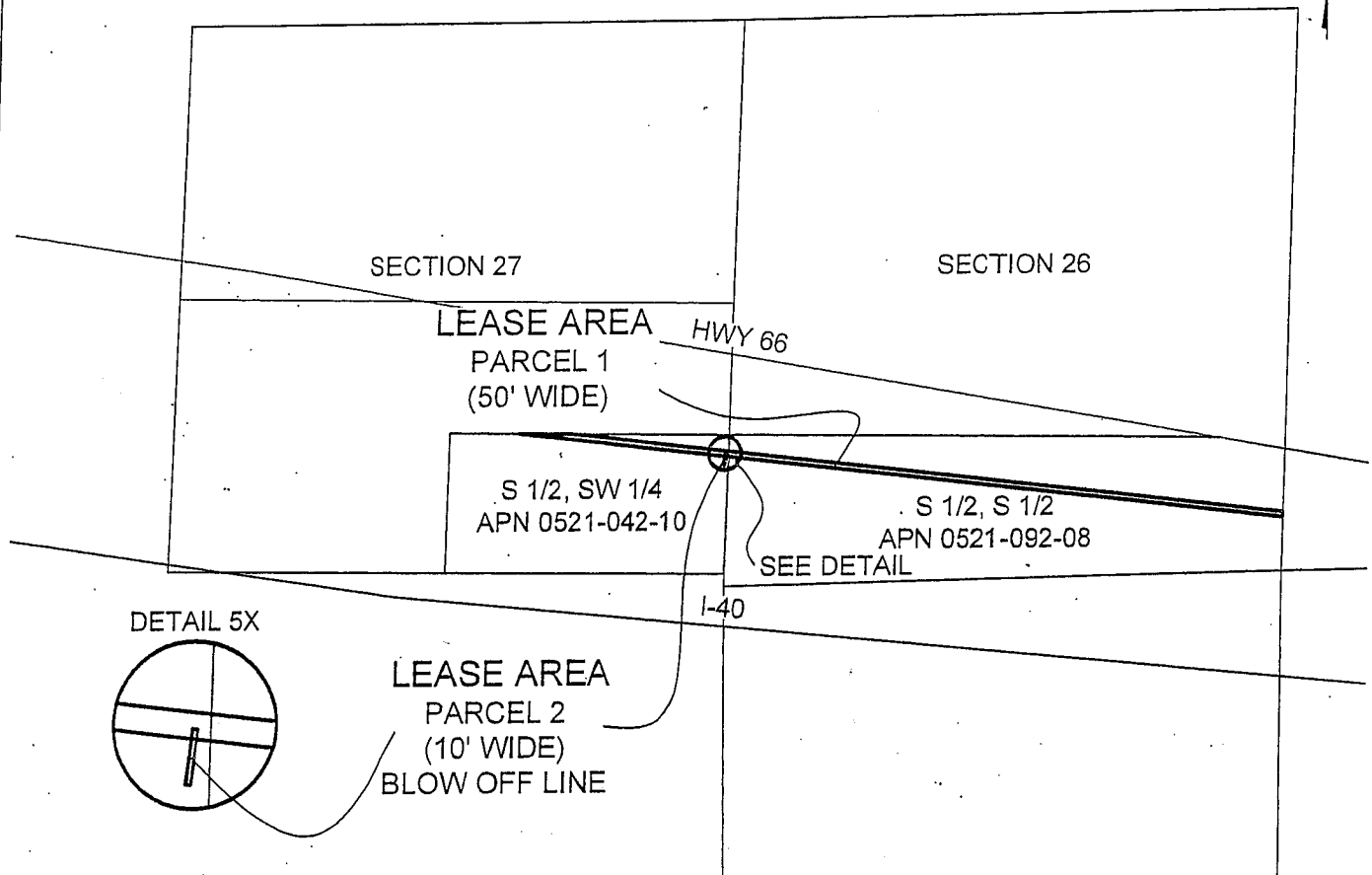
Jeffrey D. Little
P.L.S. 6372

6-4-15

PG&E CO.
COPY

NO SCALE

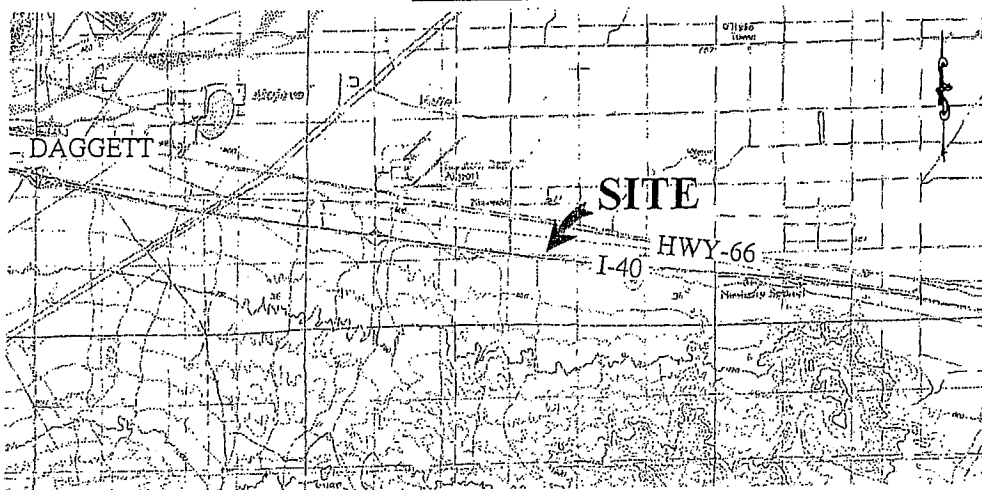
SITE



SECTION 26 & 27, T9N, R2E, SBM, NEAR NEWBERRY SPRINGS

NO SCALE

LOCATION



MAP SOURCE: USGS QUAD

This Exhibit is solely for purposes of generally defining the lease premises, is based on unverified information provided by the Lessee or other parties and is not intended to be, nor shall it be construed as, a waiver or limitation of any State interest in the subject or any other property.

Exhibit B

PRC 7526.2
PACIFIC GAS & ELECTRIC
APN 0521-042-10 & 0521-092-08
GENERAL LEASE -
RIGHT-OF-WAY USE
SAN BERNARDINO COUNTY



MJF 7/27/15